

FISCAL IMPACT STATEMENT ON BILL NO. **S. 51**

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TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Tricia Tangney		
DATE:	February 2, 2005	SBD:	2005083

AUTHOR:	Senator Ryberg	PRIMARY CODE CITE:	59-4-120
SUBJECT:	Tuition Pre-Payment Program		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

This Bill amends the Code of Laws of South Carolina, 1976, by adding Sections 59-4-110 and 59-4-120, which would prohibit the SC Tuition Prepayment Program (TPP) from accepting new participants into the program. The Bill also requires that the TPP must remain in operation for the existing participants until the obligation to the participants is met. If sufficient funds are not available within the program, the General Assembly will have to appropriate funds to meet the remaining obligation of the program.

EXPLANATION OF IMPACT:

The Office of the State Treasurer indicates that the TPP has sufficient funds within the program to meet tuition contract benefits for all current subscribers until 2017. By amending the law to provide that the TPP continue to meet tuition contract obligations for existing subscribers, implementation of this Bill would require an appropriation of \$74,970,066 in 2017. Alternatively, an appropriation of \$31,234,978 in 2005 would provide the same benefit. These estimates are based on TPP contracts currently in place and an estimated tuition increase of 8.5 percent for two additional academic years and 7 percent annually thereafter.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget